



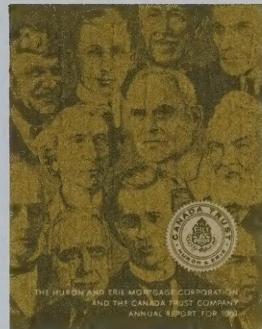
THE HURON AND ERIE MORTGAGE CORPORATION  
AND THE CANADA TRUST COMPANY  
ANNUAL REPORT FOR 1967



FEB - 5 1968

During 1967 Canada Trust - Huron & Erie had the privilege of sponsoring an educational "Famous Canadians Contest" in Ontario. Our Centennial Year Report features a few of these far-reaching Canadians who, through their thought, skill and time, made outstanding contributions to the growth and development of this great land. They serve as a mirror that reflects the aspirations and dreams of all Canadians . . . and the imagination of the world.

You may enjoy testing your skill in identifying the "Famous Canadians" appearing on the front cover . . . the identification and a brief biography on each can be found throughout this Report.



# 1967

## THE HURON AND ERIE MORTGAGE CORPORATION (AND ITS SUBSIDIARY - THE CANADA TRUST COMPANY) ANNUAL REPORT FOR NINETEEN SIXTY-SEVEN

### FACTS IN BRIEF

	1967	1966
Total assets under administration . . . . .	\$1,677,000,000	\$1,492,000,000
Deposits, debentures and trust certificates . . . . .	\$ 662,000,000	\$ 596,000,000
Mortgage loans . . . . .	\$ 562,000,000	\$ 502,000,000
Estates, trusts and agencies . . . . .	\$ 977,000,000	\$ 860,000,000
Net profit . . . . .	\$ 2,965,000	\$ 2,936,000
Net profit per share . . . . .	74¢	73¢
Dividends per share . . . . .	43¢	40¢
Shareholders' equity . . . . .	\$ 35,996,000	\$ 34,579,000
Shareholders' equity per share . . . . .	\$ 9.00	\$ 8.64

## PRESIDENT'S REPORT

The year in which Canada celebrated the 100th Anniversary of Confederation was notable for achievements and events which stirred lasting pride in the hearts of Canadians and earned new respect and admiration for our country throughout the world. Those of us in Canada Trust - Huron & Erie had a particular interest in the historical aspect of the Centennial because our own Company pre-dated Confederation by more than three years.

Unfortunately, 1967 also was a year in which the entire financial structure of Canada was under unusual stress. Interest rates soared to the highest levels in living memory, causing deep concern throughout the financial community.

There were two other developments in the past year which had specific bearing upon trust companies.

The first was the application by the chartered banks of the additional powers granted them by the last revision of the Bank Act. At year's end those trust companies incorporated under Federal Law were awaiting action by the Government at Ottawa on their request for changes in legislation which would enable them to meet the new competition of the chartered banks on more equitable terms, including authority to make consumer loans.

The second development was the introduction of deposit insurance, which entails a substantial addition to operating costs of all deposit-taking institutions. The burden falls most heavily upon companies which need such insurance the least, those institutions with a sound management philosophy whose real strength lies in external and internal audit controls, group judgment, sound liquidity, and strong shareholder equity.

## REVIEW OF OPERATIONS

1967 was another good year for the Company and despite severely increased competition the total volume of business expanded significantly.

### Change in the Form of Report

In this Report we are presenting for the first time a consolidated statement of The Huron and Erie Mortgage Corporation and its subsidiary The Canada Trust Company.

Just as we moved to a full disclosure method of reporting two years ago, so this consolidation of figures of the two Companies is intended to increase the clarity with which shareholders can assess the year's operation. Canada Trust is, with the exception of Director qualifying shares, a wholly owned subsidiary of Huron & Erie and in the philosophy with which the business is conducted and management structured, the two Companies are one in everything but name.

### Earnings

Earnings at 74¢ a share were only fractionally above the 73¢ figure of the previous year and this was in line with original forecast. Actually at the end of the second and third quarters some reduction in earnings for the year was anticipated but fourth quarter results exceeded expectations, producing the final result referred to. Unless there is a worsening of general economic conditions there is prospect for improved profit in 1968.

### Liquidity and Shareholders' Equity

Your Company's liquidity position speaks for itself. At December 31st, 1967, Canada Trust - Huron & Erie held more than \$70,000,000 in Canada and United States Government Bonds with an average maturity of two and one-half years, a portfolio for the protection of depositors that may well be unique in our industry in terms of ready convertibility to cash. In addition, the equity of the shareholders stood at over thirty-five and a half million dollars.

### Increase in Deposits

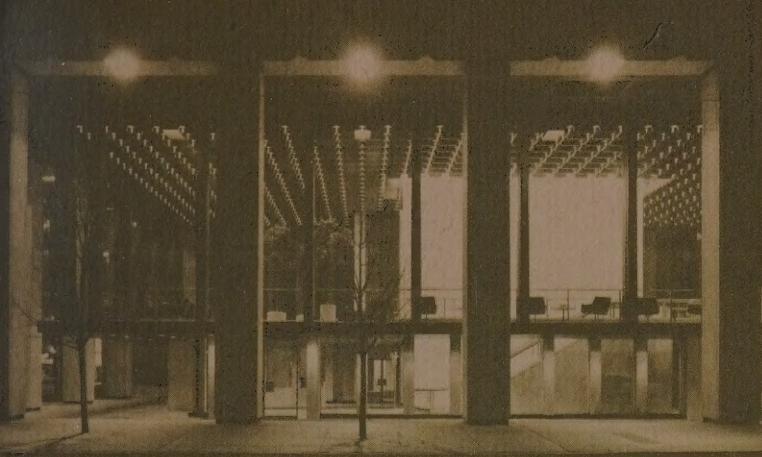
Borrowings from the public by way of deposits increased \$66,772,000 in 1967, with 15.49 per cent of the increase being in demand, and 84.51 per cent in time money. Competition for demand deposits increased sharply, a condition that is likely to persist. Consequently in the foreseeable future we may be obliged to continue to resort to a relatively high percentage of debentures and trust certificates to satisfy our borrowing needs. Centralized computer control of this category of money does much to offset the higher interest cost involved.

### Mortgage Portfolio Expands

The Company's mortgage portfolio showed a net increase of \$60,591,000 in 1967, and the opportunities for attractive loaning were limited only by the funds available. This condition is likely to continue because of the critical shortage of housing throughout the country. Indeed, if the prediction in the latest report of the Economic Council of Canada is correct, that there will be an increase of 50% in the national labor force by 1980, there will be pressing need for capital funds all through the next decade. Almost any amount of mortgage money will find ready outlet no matter what the competition.

A geographical breakdown of our mortgage portfolio at the end of 1967 shows two-thirds of the total investment in Ontario, Quebec and the Atlantic Provinces, and one-third in British Columbia and the Prairie Provinces.

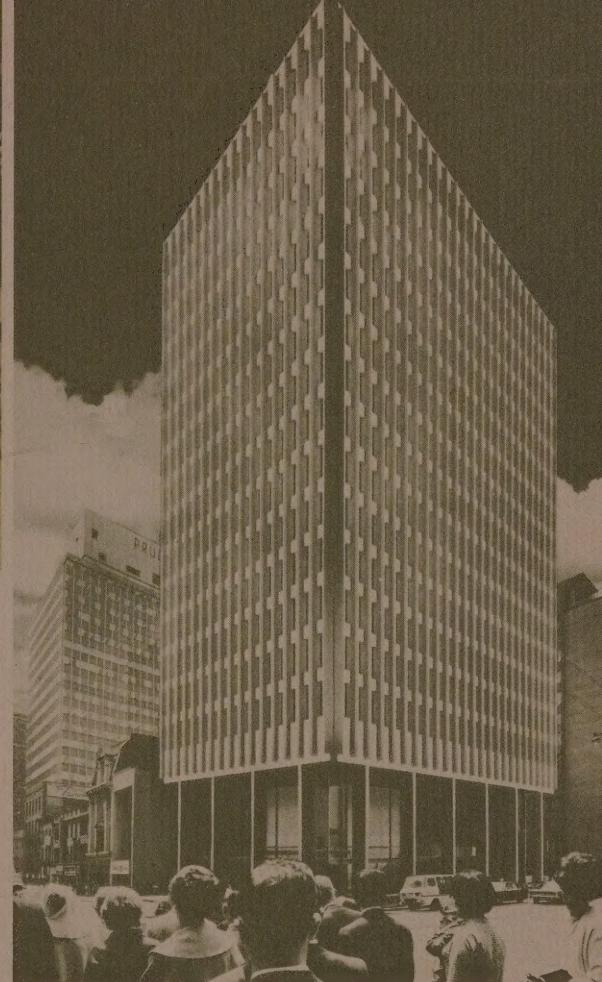
The bulk of our loaning continued to be on single family dwellings, but the proportion was smaller than in previous years in line with the national trend towards more multiple family units. In dollar volume



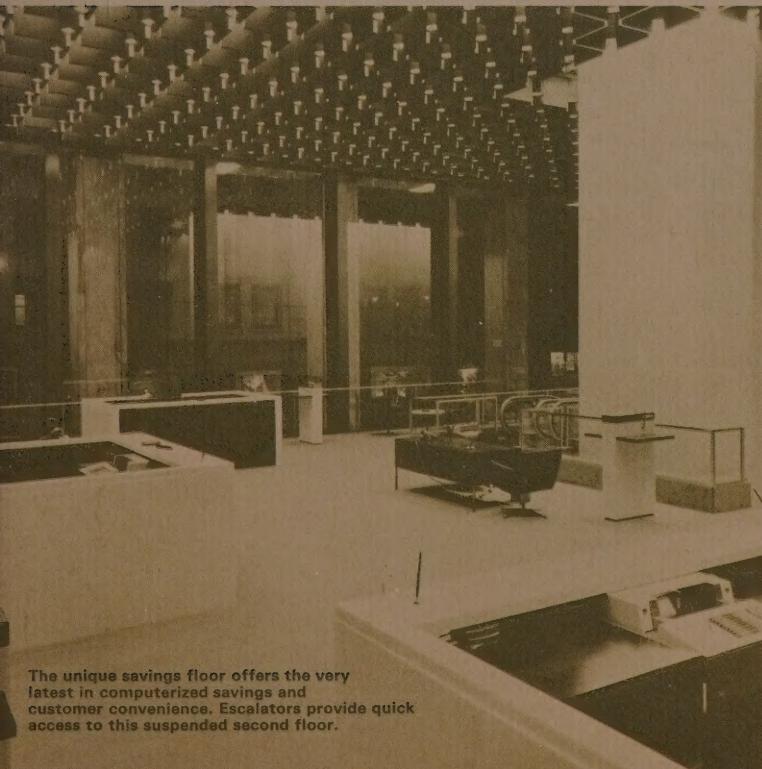
At night dramatic lighting provides striking identification for the Company in downtown Toronto.



Private offices have been designed to facilitate both individual and group discussion with clients on estate planning, investments and other financial matters.



The Canada Trust Building, Toronto. Opened October, 1967.



The unique savings floor offers the very latest in computerized savings and customer convenience. Escalators provide quick access to this suspended second floor.



Mr. J. A. Taylor and Mr. A. H. Mingay are shown after officially opening the building by cutting a large ribbon at the third floor level.

The on-line computer posts passbooks in seconds —  
adding automatically deposits and withdrawals  
in a clear, easy to read form.



54 per cent of our mortgage money was secured by single family dwellings, 32 per cent by apartments and other multiple dwellings and 14 per cent by industrial and commercial properties.

Mortgage arrears again were almost negligible both in numbers and in dollar value. With over 43,000 loans on the books at the end of 1967, only 1/4 of 1 per cent showed any significant arrears and no eventual loss is anticipated on any of them. Real estate on hand at the year-end because of mortgage default consisted of only 2 properties, representing an investment of \$25,138. Comparably, there were 5 properties involving \$69,792 invested at the end of 1966. The latter have all been disposed of with no loss, and a similar experience is expected with the properties now held.

The average interest rate on the mortgage portfolio as of December 31st, 1967 was 7.27 per cent, compared with 7.08 per cent at the close of 1966.

#### **Gains in Trust Business**

There was spectacular growth in the volume of the Company's trust business in 1967, with a net increase of more than \$116,800,000 in assets entrusted to us for management in estates, trusts and agencies. This growth reflects, of course, the reputation of the Company in the handling of trust funds. Canada Trust is one of only a half-dozen companies equipped to offer a complete range of fiduciary services on a national scale and enjoys an enviable reputation in the field.

An analysis of the increase in trust assets last year shows \$66,600,000 in the various phases of personal trust ranging from estates to individual retirement funds and \$50,200,000 in corporate pension funds. This latter phase of the business becomes increasingly important and last year we were appointed trustee by another seventy-five industrial and commercial companies and groups, several of them of national significance. We are particularly proud of our appointment in the past year as trustee for two more major pension funds of Canadian universities. Each appointment was secured in competition with other leading companies in the field, solely and simply on the investment record we were able to present. The Company now acts as trustee for five large university pension funds.

The operations of our Trust Department were converted to a computer basis in 1967 and we now have a centralized accounting service for all individual accounts. This was a big step and, initially, an expensive one. It was taken, of course, to provide improved service to clients and to achieve eventual saving in cost. By the same token it is an essential move because as administration becomes increasingly complex and supervision of investments becomes more and more sophisticated, the fight against mounting paper work will make computer control literally the only way of life in the trust business.

While electronic devices are an indispensable aid in the record and bookkeeping phase, the true strength of a trust service always will lie in the quality of personnel. A new trust officer training program initiated by the Company two years ago showed tangible benefits in 1967. Notwithstanding the great growth in the volume of business it handled, our Trust Department as a result of the training program is better staffed today with qualified personnel than has been the case for some years. We are thus assured of continued high calibre performance in the extremely technical field of trust administration and investing.

#### **Expansion of Facilities**

In 1967 three major building projects were completed and three new branches were opened.

The extensive renovation of the Head Office Building in London, begun in 1965, has given us a headquarters that is thoroughly modern in every sense of the term. The program took longer than had been expected, because of difficulties inherent in modernizing an old building, but thanks to avoidance of all but an irreducible minimum of overtime work, the final cost was about four per cent less than the original estimate.

Our new downtown building in Toronto was ready for occupancy by Company personnel before the end of the year, and fully lives up to expectation in appearance and in function. Completion was behind schedule owing to a succession of labor difficulties at various stages of construction. These delays were costly in terms of interest charges and additional rental paid for temporary accommodation, but there was no other significant effect upon the cost of the building because a firm contract existed. The Company will occupy about one-third of the building. Of the portion available for rental 80 per cent already is firmly committed to a most desirable group of tenants, reflecting the continuing healthy demand for prestige office space in downtown Toronto.

The third project completed in 1967 was a new building to meet the expanding needs of the branch in St. Thomas. There has been a sizeable increase in business since the move to the new office last June.

Branches were opened during the year on East Hastings Street in Vancouver, in Brentwood Shopping Plaza in the northwest section of Calgary, and in Yorkton, Saskatchewan. Each of these new offices gives promise of becoming a worthwhile addition to our branch operation.

#### **On-Line Teller System**

With the installation last summer of an on-line teller computer system linking the main office in London and all ten Metro Toronto branches, Canada Trust - Huron & Erie became the first financial institution in this country to offer this novel and highly efficient service to customers on a multi-branch basis. The results have fully met our expectations.

### Mortgage Reserve

It has been the custom of the Company to set aside each year one-half of one per cent of the value of the mortgage portfolio to add to its reserve against loss on mortgages. This is the maximum annual rate permitted for income tax purposes. If the present practice continued, we would in a relatively few years reach the maximum total reserve allowed on a tax-exempt basis.

The Directors have approved a recommendation from management that commencing in 1968 the percentage of our mortgage portfolio added to reserve each year be three-eighths of one percent, instead of one-half of one percent. This would have the effect of stretching out the allocation period and at the same time would significantly increase per share earnings. Based on present mortgage volume, present number of shares outstanding and present tax rates this increase would amount to 10¢ a share. If the one-half of one per cent rate were maintained, on the other hand, it would result in an abrupt and unwarranted jump in earnings commencing in the year when the allowable ceiling is reached. This reduction in the rate of addition to mortgage reserve will enure to the benefit of existing shareholders. I should say that for tax purposes the maximum reserve deduction will continue to be made with a corresponding future tax liability shown annually in the balance sheet, equal to the tax that would otherwise have been paid.

### A Look Ahead

As indicated earlier in these remarks, provided there is no serious worsening in the difficulties now confronting the economy generally, there is prospect for further increase in earnings in 1968. This is quite apart from the increase that will result from the reduced appropriation to mortgage reserve to which I have just referred. A support factor in this direction is a new costing system which applies the profit centre concept to each geographical area and to each branch office within that area, affording better means to measure performance and return. In addition, the increasing use of electronic equipment and staff training programs are steadily improving efficiency and productivity with no undue demands upon personnel. We were able to handle the greatly increased volume of business in 1967 with about the same number of people as in the preceding year.

There should be continuing substantial growth generated by the momentum we now enjoy. At the time of the Company's 100th Anniversary in 1964 we were able to speak of One Billion Dollars in assets under administration in all phases of Canada Trust - Huron & Erie activity. This figure has now grown to \$1,677,000,000 and promises to reach the Two Billion Dollar mark in 1969, thus doubling in five years a total it had taken the first hundred years to attain.

The Company has the size and the geographical spread, with offices from coast to coast, to compete

effectively under the conditions that now exist. We intend that growth shall continue, geographically as well as in the range of our operations and we are constantly seeking and assessing new opportunities.

However size is not the primary factor in continuing success. Our aim like that of virtually every other financial institution in the country today, must be a striving for improved performance. It is in the area of staff selection and training and reduced staff turnover that we must continue to bend our primary effort.

### Directors and Advisory Board Members

During the past year, Mr. A. H. Mingay and Mr. J. D. Wilson, the former in charge of our business in Toronto and the latter heading our operations in British Columbia, were elected Directors of Canada Trust and Vice-Presidents of both Companies. This was further signal recognition of the outstanding contributions these two senior officers are making. Mr. Walter H. Sprague of Edmonton, Chairman of our Advisory Board in that city and Mr. G. E. G. Whitaker of London, Assistant General Manager in charge of our business in Western Ontario, were elected Directors of Canada Trust, adding further significant strength to that Board.

We recorded with regret the death of Mr. Horace Barrett of Lethbridge, a valued member of the Southern Alberta Advisory Board, and then on Christmas Day that of Mr. Arthur D. Crease, Q.C., an original member of the Victoria Advisory Board and for many years its highly respected Chairman. There were three new appointments, Mr. Alan W. Bell of Lethbridge, to the Southern Alberta Advisory Board, Mr. George Heffelfinger of Winnipeg, to the Manitoba Advisory Board and Mr. R. A. Treleaven to the Montreal Advisory Board. Mr. Treleaven's appointment followed on his retirement for health reasons from his position as Assistant General Manager in charge of our business in Quebec. We welcome the strength these prominent citizens of their respective communities will bring to our affairs.

On behalf of Directors and Advisory Board members I acknowledge keen awareness of the importance of the loyal service rendered by the men and women of our Staff. The wholehearted, able manner in which they play their part exceeds by far all other strength the Company enjoys.



President and General Manager

### Sir John A. MacDonald

*Born in Scotland in 1815, John A. MacDonald moved to Canada at the age of 5. After holding many key posts in government, he became Prime Minister of the MacDonald-Cartier government in 1857 and was a strong influence in the conferences leading up to Confederation in 1867. He became the first Prime Minister of the Dominion of Canada and, except for a brief interlude, held this post until his death in 1891.*



## BOARD OF DIRECTORS OF THE HURON AND ERIE MORTGAGE CORPORATION

V. P. Cronyn, Chairman of the Board, London

J. Allyn Taylor, President, London

#### *Vice-Presidents*

Tom Lawson, London

M. C. G. Meighen, O.B.E., Toronto

A. H. Mingay, Toronto

J. D. Wilson, Vancouver

#### *Directors:*

R. P. Baker, London

A. E. Barron, Toronto

Henry Borden, C.M.G., O.C., LL.D., D.C.L., Toronto

Captain Joseph Jeffery, O.B.E., Q.C., London

H. H. Leather, M.B.E., Hamilton

Colonel Ibbotson Leonard, D.S.O., London

R. H. Reid, London

## BOARD OF DIRECTORS OF THE CANADA TRUST COMPANY

V. P. Cronyn, Chairman of the Board, London

J. Allyn Taylor, President, London

#### *Vice-Presidents*

Tom Lawson, London

M. C. G. Meighen, O.B.E., Toronto

A. H. Mingay, Toronto

J. D. Wilson, Vancouver

#### *Directors*

R. P. Baker, London

A. E. Barron, Toronto

W. J. Blackburn, London

Roland Chagnon, C.A., Montreal

The Honourable J. V. Clyne, Vancouver

G. E. Creber, Q.C., Toronto

Gordon Farrell, Vancouver

F. P. Galbraith, LL.D., Red Deer

Captain Joseph Jeffery, O.B.E., Q.C., London

H. H. Leather, M.B.E., Hamilton

Colonel Ibbotson Leonard, D.S.O., London

R. H. Reid, London

J. M. Riddell, Q.C., Stratford

Brigadier G. W. Robinson, C.B.E., E.D., London

The Honourable F. M. Ross,

C.M.G., M.C., K.St.J., LL.D., Vancouver

G. E. Sharpe, B.Sc., Winnipeg

W. H. Sprague, Phm.C., Edmonton

J. J. Stuart, Windsor

Colonel J. G. Thompson, C.D., London

Noah Torno, M.B.E., Toronto

Major-General A. E. Walford,

C.B., C.B.E., M.M., E.D., Montreal

Colonel The Honourable Clarence Wallace,

K.St.J., C.B.E., LL.D., Vancouver

G. E. G. Whitaker, London

R. B. Wilson, Victoria

## MANAGEMENT GROUP



J. ALLYN TAYLOR  
President and General Manager



C. A. HOLDING  
Assistant General Manager  
Montreal



A. H. MINGAY  
Vice-President  
Toronto



B. E. MINNS  
Assistant General Manager  
Toronto



J. R. BIGGS  
Manager, Business Development Division



R. A. KNIGHTON, C.A.  
Secretary



D. E. MCLEAN  
Manager, Marketing Services Division



D. J. WARREN  
Prairie Region Supervisor



G. E. G. WHITAKER  
Assistant General Manager  
Western Ontario



J. D. WILSON  
Vice-President  
British Columbia



E. D. L. MILLER  
Treasurer



C. C. PARSONS, C.A.  
Comptroller



J. M. SCOTT  
Superintendent of Mortgages



J. H. SPEAKE  
Manager, Management Services Division

THE HURON AND ERIE MORTGAGE CORPORATION  
 (AND ITS SUBSIDIARY—THE CANADA TRUST COMPANY)  
 CONSOLIDATED BALANCE SHEET, December 31, 1967

ASSETS

	1967	1966
Cash and items in transit .....	\$ 5,820,000	\$ 4,627,000
<b>Bonds:</b>		
Government of Canada, direct and guaranteed .....	\$ 70,494,000	
Provinces of Canada, direct and guaranteed .....	9,685,000	
Government of United States of America .....	3,694,000	
Other .....	3,373,000	
Total bonds, at amortized cost .....	87,246,000	86,970,000
(market value 1967 \$84,610,000; 1966 \$86,126,000)		
Short term corporation notes, at cost .....	10,709,000	10,568,000
(market value 1967 \$10,733,000; 1966 \$10,699,000)		
Stocks, at cost (market value 1967 \$14,848,000; 1966 \$12,048,000) .....	8,878,000	7,861,000
Advances to estates, trusts and agencies .....	1,040,000	1,289,000
Loans on securities .....	7,331,000	6,581,000
Real estate held for re-sale, at cost not exceeding estimated market value .....	25,000	70,000
Mortgages, less reserve .....	562,186,000	501,595,000
<b>Fixed assets, at cost</b>		
Land .....	\$ 3,225,000	
Buildings .....	15,077,000	
Furniture and fixtures .....	2,486,000	
Leasehold improvements .....	749,000	
	<u>\$ 21,537,000</u>	
Less: Accumulated depreciation .....	4,977,000	16,560,000
	<u>\$699,795,000</u>	<u>\$631,686,000</u>



**George Brown**

*Alloa, Scotland was the birthplace of journalist-politician George Brown who lived from 1818 to 1880. Brown accompanied his father to New York in 1837, where they founded the "British Chronicle." Six years later they moved to Toronto and founded the "Banner," succeeded in 1844 by the "Globe." In 1851 he entered politics, playing a leading role in the promotion of Confederation.*

### Sir Wilfrid Laurier

Born at St. Lin, Quebec in 1841 Wilfrid Laurier became the first French-Canadian to hold the office of Prime Minister. Although loyal to the British crown he devoted his political life to guiding Canada toward an independent position in the British Empire. He died in 1919 after a full and colourful life in the service of his country.



## LIABILITIES

	1967	1966
Deposits .....	\$261,104,000	\$250,759,000
Short term certificates .....	6,690,000	20,323,000
Debentures and trust certificates .....	394,602,000	324,542,000
/	\$662,396,000	\$595,624,000
Income taxes payable .....	758,000	997,000
Dividend payable .....	400,000	400,000
	\$663,554,000	\$597,021,000
Deferred income taxes .....	245,000	86,000

## SHAREHOLDERS' EQUITY

Capital:		
Authorized, 5,000,000 shares of \$2 each — \$10,000,000		
Issued and fully paid, 4,000,000 shares .....	\$ 8,000,000	\$ 8,000,000
General reserve .....	27,500,000	26,111,000
Unappropriated earnings .....	496,000	468,000
	<u>\$699,795,000</u>	<u>\$631,686,000</u>

The undersigned officials of The Huron and Erie Mortgage Corporation and The Canada Trust Company hereby certify that they have examined the foregoing consolidated statements of the said Companies and that to the best of their knowledge and belief the said consolidated statements are correct, and show truly and clearly the financial condition of the affairs of the Companies.

V. P. CRONYN, *Chairman of the Board.*  
J. ALLYN TAYLOR, *President.*  
TOM LAWSON, *Vice-President.*

\*  
*The accompanying notes are an integral part of these consolidated statements.*

THE HURON AND ERIE MORTGAGE CORPORATION  
 (AND ITS SUBSIDIARY—THE CANADA TRUST COMPANY)  
**CONSOLIDATED STATEMENT OF EARNINGS**

Year ended December 31, 1967

	1967	1966
<b>Revenue</b>		
Interest from mortgages . . . . .	\$39,176,000	\$33,508,000
Interest and dividends from bonds, notes and stocks . . . . .	5,539,000	5,284,000
Fees and commissions from estates, trusts and agencies . . . . .	5,165,000	4,832,000
Other operating revenue . . . . .	1,946,000	1,551,000
	<hr/> <u>\$51,826,000</u>	<hr/> <u>\$45,175,000</u>
<b>Expense</b>		
Interest on deposits, certificates and debentures . . . . .	\$30,231,000	\$25,155,000
Salaries and staff benefits . . . . .	6,746,000	6,293,000
Other operating expenses . . . . .	5,954,000	5,139,000
Depreciation . . . . .	564,000	468,000
Special mortgage reserve . . . . .	2,873,000	2,556,000
	<hr/> <u>\$46,368,000</u>	<hr/> <u>\$39,611,000</u>
Earnings before income taxes . . . . .	\$ 5,458,000	\$ 5,564,000
Taxes on income (note 3) . . . . .	<hr/> <u>2,493,000</u>	<hr/> <u>2,628,000</u>
Net earnings for the year (note 1) . . . . .	\$ 2,965,000	\$ 2,936,000
Transfer to general reserve . . . . .	1,217,000	1,263,000
Transfer to unappropriated earnings . . . . .	<hr/> <u>\$ 1,748,000</u>	<hr/> <u>\$ 1,673,000</u>

THE HURON AND ERIE MORTGAGE CORPORATION  
 (AND ITS SUBSIDIARY—THE CANADA TRUST COMPANY)  
**CONSOLIDATED STATEMENT OF GENERAL RESERVE**

Year ended December 31, 1967

	1967	1966
Balance at beginning of year .....	\$26,111,000	\$24,711,000
<b>Add:</b>		
Transfer from net earnings for the year .....	1,217,000	1,263,000
Profit on sale of securities and real estate .....	172,000	137,000
<b>Balance at end of year .....</b>	<b><u>\$27,500,000</u></b>	<b><u>\$26,111,000</u></b>

**CONSOLIDATED STATEMENT OF UNAPPROPRIATED EARNINGS**

Year ended December 31, 1967

	1967	1966
Balance at beginning of year .....	\$ 468,000	\$ 395,000
Transfer from net earnings for the year .....	1,748,000	1,673,000
	<u>\$ 2,216,000</u>	<u>\$ 2,068,000</u>
Dividends .....	1,720,000	1,600,000
<b>Balance at end of year .....</b>	<b><u>\$ 496,000</u></b>	<b><u>\$ 467,000</u></b>

**Rt. Hon. Georges Philias Vanier**

*Born in 1888 at Montreal, Georges Vanier was the Commanding Officer of the famed "Vingt-Deux" and served on numerous military commissions. He was Canadian Ambassador to France from 1944 to 1953 and served Canada as Governor General from 1959 to his death in 1967.*



# THE HURON AND ERIE MORTGAGE CORPORATION (AND ITS SUBSIDIARY—THE CANADA TRUST COMPANY)

*Year ended December 31, 1967*

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. The minority shareholders' interest of 1.41% in the subsidiary company amounts to \$240,476 of its net assets and \$13,179 of its net earnings for the year.
2. Included in total assets of \$699,795,000 as at December 31st, 1967 are assets held for Guaranteed Trust Account of \$222,774,000, securing Guaranteed Trust Liabilities of \$222,774,000 consisting of deposits of \$87,440,000, short term certificates of \$6,690,000 and trust certificates of \$128,644,000, which are included in total liabilities to depositors of \$662,396,000.
3. It is the companies' practice to claim for income tax purposes capital cost allowances in excess of depreciation recorded in the accounts, with the result that income taxes payable for the year have been reduced by \$159,000. This reduction is included in "Deferred income taxes" in the accompanying balance sheet, to be taken into earnings of future years when capital cost allowances for income tax purposes may be less than depreciation recorded in the accounts.

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of The Huron and Erie Mortgage Corporation and its subsidiary, The Canada Trust Company, as at December 31, 1967 and the consolidated statements of earnings, general reserve and unappropriated earnings, for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the Companies, these consolidated financial statements are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Companies as at December 31, 1967 and the results of their operations for the year then ended, on a basis consistent with that of the preceding year.

THORNE, GUNN, HELLIWELL & CHRISTENSON  
CHARTERED ACCOUNTANTS  
London, Ontario, January 15, 1968

### Rt. Hon. Vincent Massey

*Born at Toronto in 1887, Vincent Massey served as the first Canadian-born Governor General of Canada from 1952 to 1959. Until his death in 1967 he was prominent in the development of arts, letters and services in Canada, and was a noted author and lecturer in his own right.*



## CANADA TRUST—HURON AND ERIE ADVISORY BOARDS

### ALBERTA

F. P. Galbraith, LL.D., Chairman  
R. R. Davidson, Q.C.  
C. O. Nickle  
W. H. Sprague, Phm.C.

### CENTRAL ALBERTA

C. O. Nickle, Chairman  
H. P. Wright, LL.D.,  
Vice-Chairman  
Holland Cameron  
G. L. Crawford, Q.C.  
F. C. Manning  
S. J. Parkinson

### NORTHERN ALBERTA

W. H. Sprague, Phm.C., Chairman  
R. K. Banister  
Brigadier F. T. Jenner,  
M.B.E., E.D.  
Dr. W. C. MacKenzie, F.R.C.S.(C)  
D. R. B. McArthur,  
B.A.Sc., M.B.A.

### SOUTHERN ALBERTA

R. R. Davidson, Q.C., Chairman  
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## SOME OF OUR SERVICES

Saving is a good habit to start young. With many savings plans to offer there's always one to fit any goal including high income Trust Certificates.

### Rt. Hon. Louis Stephen St. Laurent

Born at Compton, Quebec in 1882. Louis St. Laurent was first elected to the House of Commons in 1922, following which he served Canada in many capacities including Minister of Justice and Attorney General, Secretary of State for External Affairs, Chairman, Canadian Delegation to the United Nations and from 1948 to 1958 Prime Minister. He retired from active politics in 1958 and is now living in Quebec City.

### Rt. Hon. William Lyon Mackenzie King

Born in 1874 in what is now Kitchener, Ontario. Mackenzie King became Canada's first Minister of Labour in 1909. Best remembered for establishing a Department of External Affairs and for his work in 1948 period. He died at his home at Kingmere, Quebec in 1950.

### Stephen Butler Leacock

Born at Hampstead, England in 1869. Stephen Leacock was made a vice-rector of science department at McGill University from 1903 to his retirement in 1936. While an acknowledged authority in political science he is best remembered as an outstanding humorist. After his retirement and until his death in 1944, he lived in Orillia, Ontario, allegedly the scene of his "Sunshine Sketches of a Little Town."

### C. D. Howe

Clarence Decatur Howe, civil engineer and politician, was born in 1886 at Waltham, Massachusetts and died at Montreal in 1960. He became a Canadian citizen in 1913 and later as the first Minister of Transport, he reorganized the C.N.R. and established the Canadian National Railways. In 1939, he was made Minister of Munitions and Supply and was later Minister of Defence. Production

### Sir Alexander Graham Bell

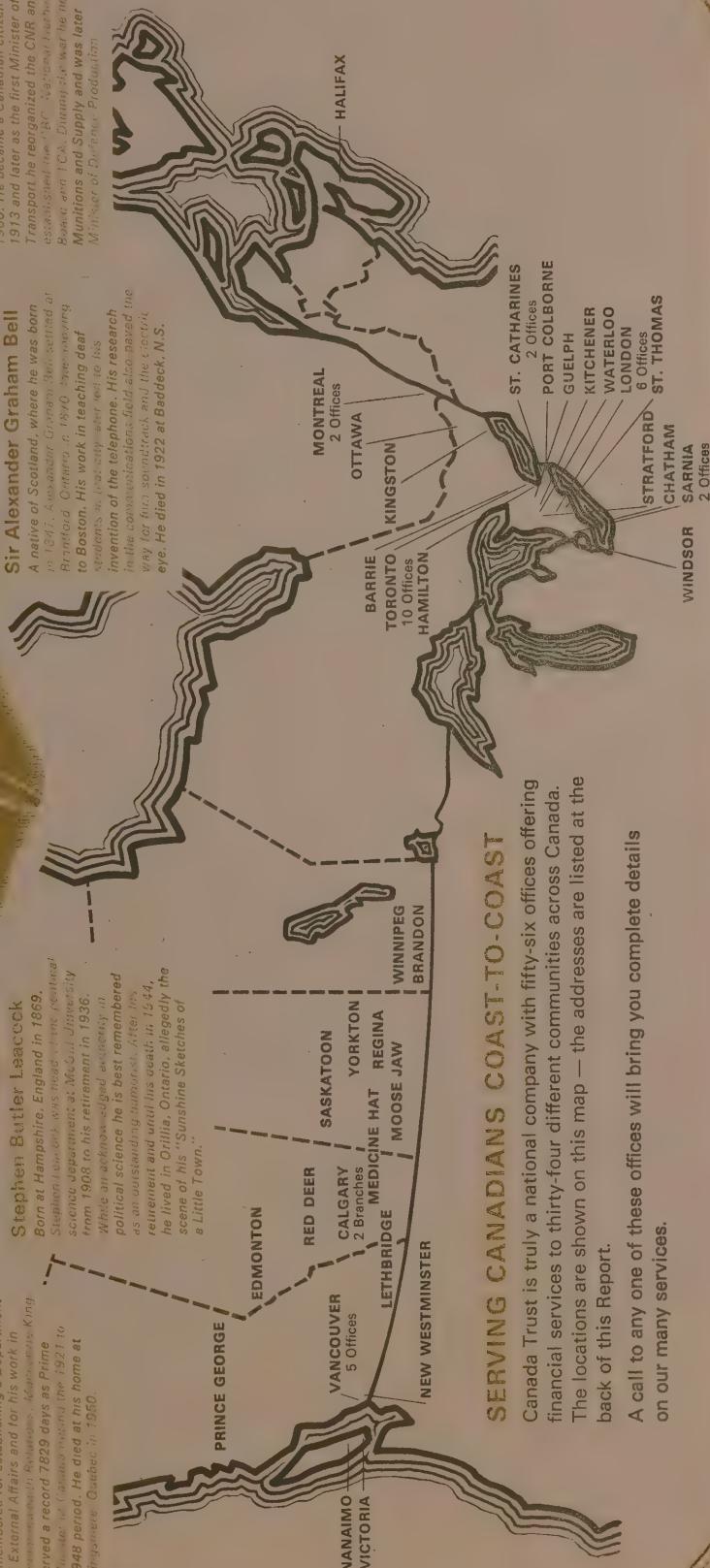
A native of Scotland, where he was born in 1847, Alexander Graham Bell, a student at Brantford, Ontario in 1870, then immigrating to Boston. His work in teaching deaf-mutes, an deaf, very soon led to his invention of the telephone. His research in the communications field also paved the way for the seismograph and the electric eye. He died in 1922 at Baddeck, N.S.

## SERVING CANADIANS COAST-TO-COAST

Canada Trust is truly a national company with fifty-six offices offering financial services to thirty-four different communities across Canada.

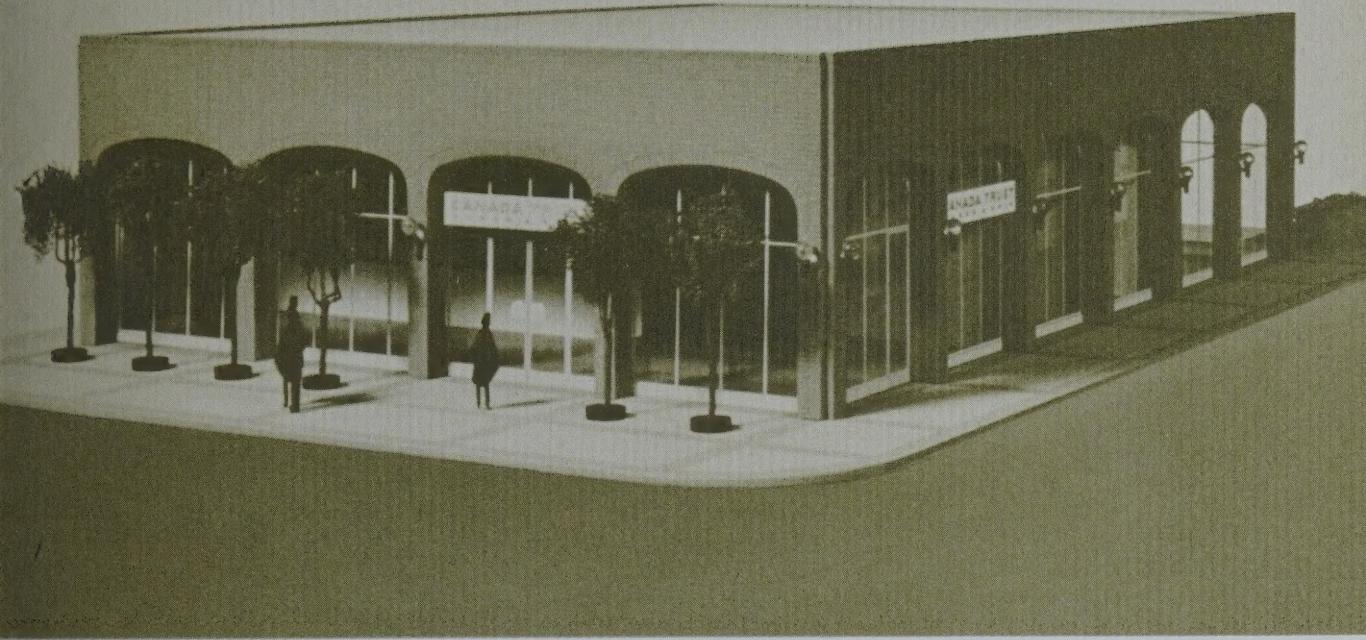
The locations are shown on this map — the addresses are listed at the back of this Report.

A call to any one of these offices will bring you complete details on our many services.



This striking chandelier is one of the focal points  
in the newly renovated Head Office building in London.





St. Thomas, Ontario  
This modern new office on the main street was opened in June to replace the former premises.

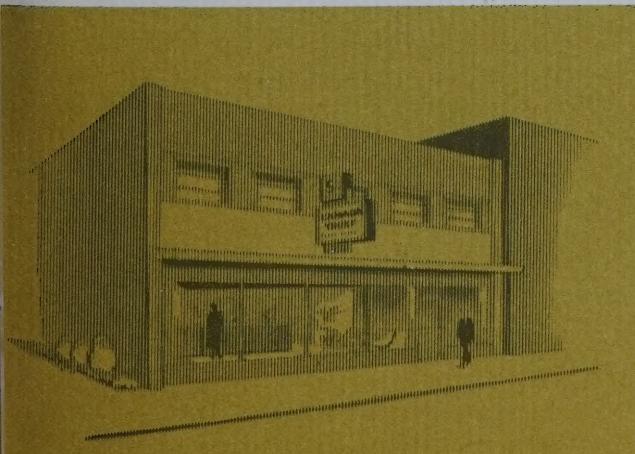
Vancouver, British Columbia  
The fifth office serving Vancouver was opened at 2503 East Hastings Street in January 1967.

## NEW IN 67

Yorkton, Saskatchewan  
This office opened the first week in April. It is the only trust company office in this Saskatchewan centre.



Calgary, Alberta  
Our second Calgary office opened in January 1967. It is located in the Brentwood Village Shopping Centre.



**Sir Frederick Grant Banting**

*Born at Alliston, Ontario in 1891, Sir Frederick Banting received the Nobel Prize for his discovery of insulin. He was killed in a plane crash, in Newfoundland, while on active service during the Second World War.*



## OFFICE LOCATIONS

**BARRIE**  
91 Dunlop St., E.

**BRANDON**  
636 Rosser Ave.

**CALGARY**  
• 528 - 8th Ave., S.W.  
• Brentwood Village Plaza

**CHATHAM**  
62 King St., W.

**EDMONTON**  
10182 - 102nd St.

**GUELPH**  
Wyndham at Cork

**HALIFAX**  
1657 Barrington St.

**HAMILTON**  
King at Hughson

**KINGSTON**  
225 Bagot St.

**KITCHENER**  
King at Gaukel

**LETHBRIDGE**  
3rd Ave. at 7th St., S.

**LONDON**  
• Dundas at Clarence  
• 4 Covent Market Place  
• Dundas at English  
• Wortley at Elmwood  
• Richmond at University  
• Oakridge Plaza

**MEDICINE HAT**  
3rd St. at 5th Ave., S.E.

**MONTREAL**  
• 631 Dorchester Blvd., W.  
• 7040 St. Hubert St.

**MOOSE JAW**  
318 Main St. N.

**NANAIMO**  
153 Commercial St.

**NEW WESTMINSTER**  
622 - 6th St.

**OTTAWA**  
77 Metcalfe St.

**PORT COLBORNE**  
Clarence at Elm

**PRINCE GEORGE**  
Victoria at 5th

**RED DEER**  
4928 Ross St.

**REGINA**  
1921 Scarth St.

**ST. CATHARINES**  
• King at Queen  
• Pen Centre

**ST. THOMAS**  
Talbot at Elgin

**SARNIA**  
• Christina at London  
• 139 Lochiel St.

**SASKATOON**  
102 - 2nd Ave., S.

**STRATFORD**  
Downie at Market Place

**TORONTO**  
• Yonge at Adelaide  
• 15 St. Clair Ave., W.  
• 472 Eglinton Ave., W.  
• Bloor at the Kingsway  
• Markland Woods Plaza  
• Yonge at Erskine  
• Richview Plaza  
• Riverdale Plaza  
• Shoppers' World Plaza  
• St. Andrews Plaza

**VANCOUVER**  
• West Pender at Hornby  
• Cambie at 41st  
• 416 Main St. at Hastings  
• 2198 - 41st Ave., W. at Yew  
• 2503 E. Hastings St.

**VICTORIA**  
View at Broad

**WATERLOO**  
Weber at Lincoln

**WINDSOR**  
190 University Ave., W.

**WINNIPEG**  
Portage at Fort

**YORKTON**  
9 - 3rd Avenue North



